

STAT

Approved For Release 2003/09/29 : CIA-RDP86T00608R000500110010-5

Approved For Release 2003/09/29 : CIA-RDP86T00608R000500110010-5



Intelligence Handbook

Cuba: Foreign Trade

A (ER) 75-69
July 1975

This publication is prepared for the use of U.S. Government officials. The format, coverage, and contents of the publication are designed to meet the specific requirements of governmental users. All inquiries concerning this document from non-U.S. Government users are to be addressed to:

Document Expediting (DOCEX) Project
Exchange and Gift Division
Library of Congress
Washington, D.C. 20540

Cuba: Foreign Trade

July 1975

Foreword

This handbook on Cuba's international trade was prepared as a research aid. It contains (a) a short discussion of trends in Cuban trade since the Castro takeover in 1959, with emphasis on developments in 1974; (b) statistics on the value, direction, and composition of trade (see Tables 1-10); economic assistance received from the USSR (see Table 11); and recent loan extensions by non-Communist countries (see Table 12); and (c) background material on the economy and on Cuban trading enterprises (see Tables 13-14).

The trade data in this handbook through 1972 are based mainly on official Cuban data. Statistics for 1973-74 are based largely on (a) data supplied by Cuba to the International Sugar Organization and (b) estimates derived from data published by Cuba's Communist and non-Communist trading partners. The estimates of Soviet balance-of-payments and developmental assistance reflect (a) drawings to cover Cuban trade deficits with the USSR, (b) estimated accrual of Cuban liabilities for interest on the outstanding debt to the USSR, and (c) other invisibles such as a portion of the wages of Soviet technicians in Cuba and other small movements of short-term Soviet capital to Cuba.

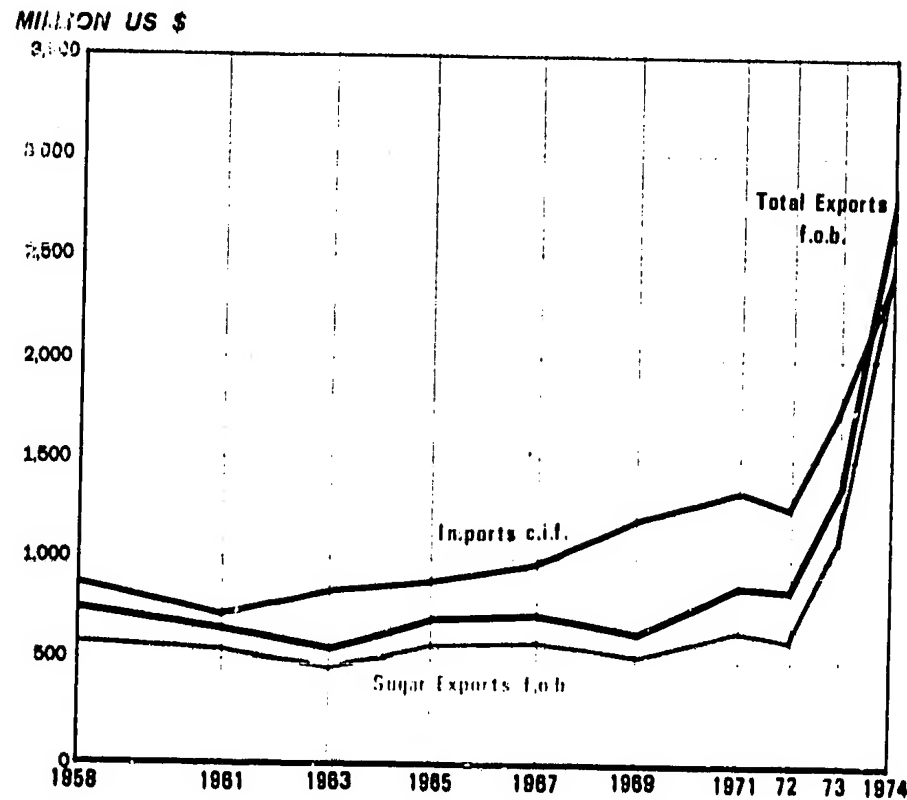
CUBA: FOREIGN TRADE

Trade Trends Before 1974

1. Cuba is the world's largest sugar exporter and has long been dependent on sugar for most of its export earnings (see Figure 1). Despite spasmodic efforts

Figure 1

CUBA: Trade Trends



000000 7 78

by the Castro government to diversify the economy, sugar sales consistently made up about three-quarters of total export earnings from 1959 to 1973. As a result of both low world sugar prices and a failure to achieve sustained increases in sugar production, Cuban export earnings remained largely stagnant until 1973. Rising Soviet and world sugar prices enabled Cuban receipts to jump sharply in that year.

2. About \$4.4 billion in Soviet development and balance-of-payments assistance since the Castro takeover in 1959 has permitted the Cuban economy to invest and consume beyond its means. Cuba has recorded consistently large trade deficits throughout the Castro regime, averaging about \$255 million annually.

3. Cuban imports are dominated by capital goods, industrial raw materials, and petroleum, mimicking the industrial orientation of its Communist tutors. Foodstuff – chiefly wheat, flour, and rice – made up about 20% of total imports. Imports accounted for about 35% of the country's food supply. Communist countries, mainly the USSR, provided about three-quarters of total Cuban imports. Western Europe supplied most of the remainder.

Soaring Exports in 1974

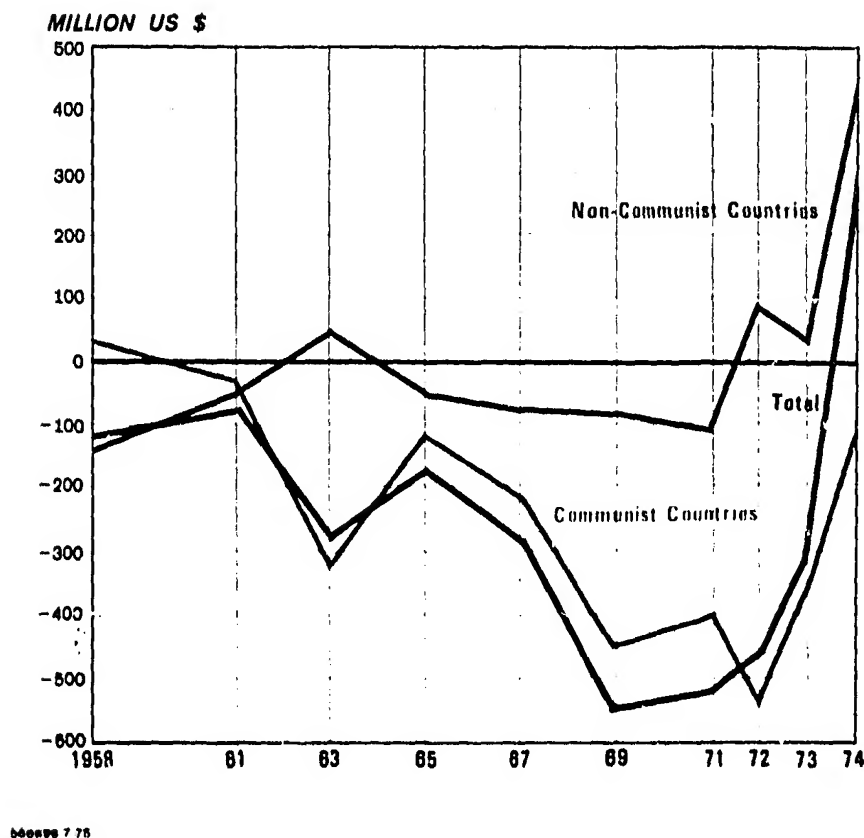
4. Cuba's exports rose dramatically in 1974 on wings of unprecedented sugar prices, permitting Havana to post its first trade surplus since the Castro takeover (see Figure 2). Export earnings soared to an estimated \$2.7 billion, double the 1973 level, as increased sugar production was paired with record sugar prices. Bolstered by increased export earnings which encouraged a large inflow of trade credits from its non-Communist trading partners, Cuban imports rose by 44% to \$2.45 billion.

5. Sugar dominated the composition of commodity exports more than ever in 1974, accounting for about 90% of the total. An 8% increase in raw sugar output to 5.8 million metric tons and record world and Communist market sugar prices boosted earnings from sugar about 125%, to nearly \$2.5 billion. Exports of shellfish, which have been rising steadily, grew another 19% in 1974 as a result of a larger catch and rising world prices. On the other hand, generally stagnant nickel, tobacco, and citrus production helped to keep sales of these items at approximately 1973 levels.

6. Cuba has not yet published import data for 1974 (or 1973). The relative importance of the major categories of goods probably did not change significantly from previous years. The high priority given investment suggests continued high levels of machinery and transportation equipment imports, thereby precluding any major shift toward nonfood consumer items. Failure to significantly expand food production other than sugar or to discover domestic petroleum supplies suggests continued large purchases of these commodities as well. Because of large increases in the prices of goods imported from the developed Western world, the real gain in imports obviously was substantially less than the rise in value.

CUBA: Trade Balances

Figure 2

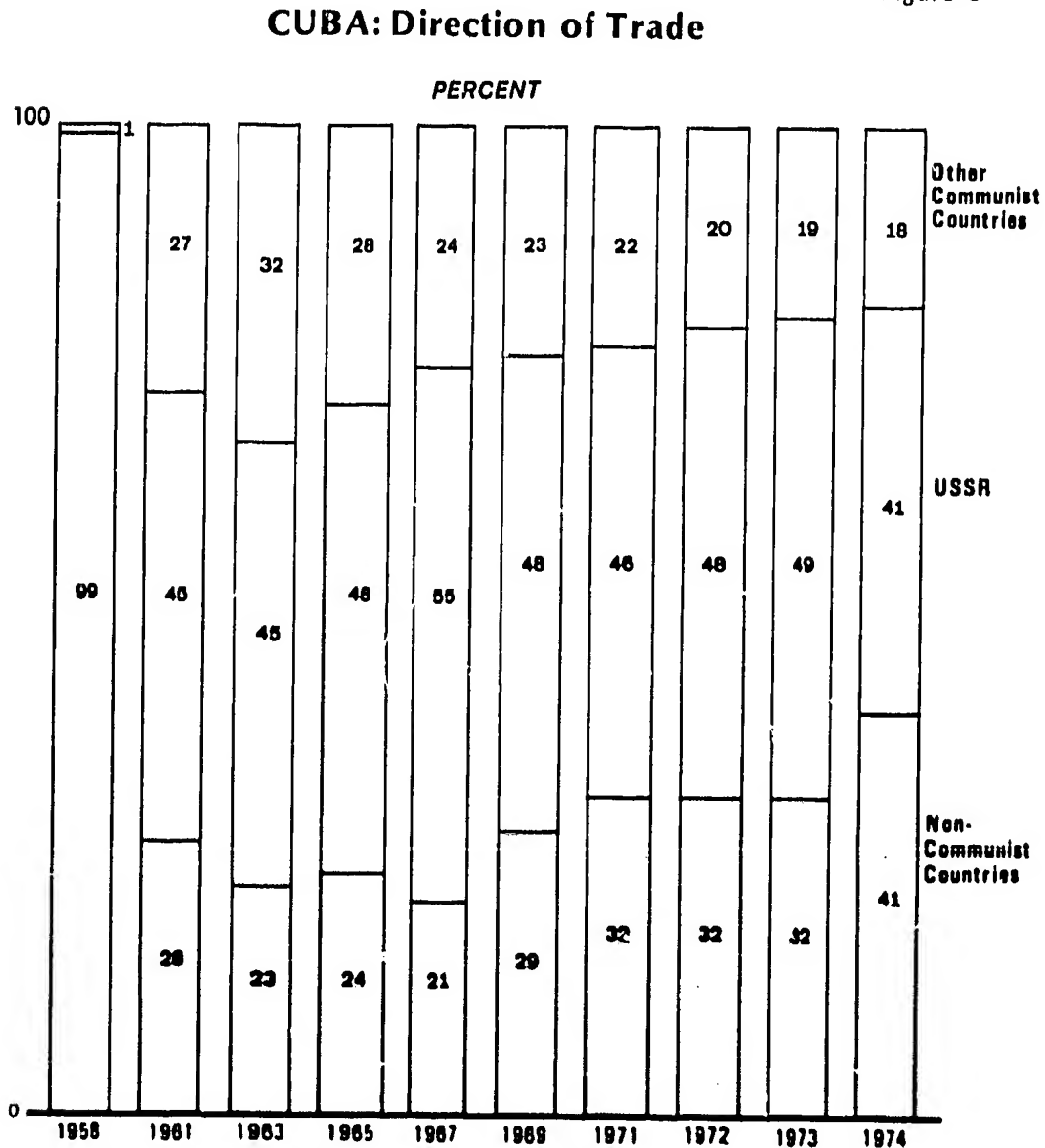


Expanding Relations with the West

7. High world sugar prices and a stronger domestic economy enabled Havana in 1974 to expand its commercial ties with Western countries, which in turn have been eager to exploit the Cuban market. Hard currency earnings nearly tripled, to about \$1.3 billion, as a result of an 18% increase in the volume of sugar exports and a near tripling of the average price received from world market sugar sales, to about 25 cents per pound. Bolstered by increasing trade credits from these countries, Cuban imports from the non-Communist world doubled to about \$850 million, 35% of total imports, compared with a 27% average in 1971-73.

8. Despite growing commercial links with the West, Havana remains closely tied to the Soviet economy. The Soviets accounted for about two-fifths of Cuba's total trade in 1974 (see Figure 3) and continued to provide for virtually all of

Figure 3



its petroleum needs and a major share of its imports of capital equipment and foodstuffs. In addition, Moscow furnished Havana about \$275 million in balance-of-payments and development credits, bringing the total amount of such assistance to about \$4.4 billion since 1961.

Prospects for 1975

9. Cuba's trade surplus will diminish and could well disappear in 1975. Lower sugar output and declining world sugar prices will hold export earnings to about the \$2.7 billion level of 1974. Strengthened by large new Western credits, imports on the other hand will probably increase to at least match exports.

Table 1

Cuba: Foreign Trade Overview

	Million US \$									
	1958	1961	1963	1965	1967	1969	1971	1972	1973 ¹	1974 ¹
Total exports (f.o.b.)	742	626	545	691	705	671	860	837	1,380	2,745
Communist countries	18	460	365	529	568	446	555	446	880	1,485
USSR	14	304	164	323	366	233	304	244	565	935
Eastern Europe	Negl.	63	125	103	113	130	160	137	210	375
Far East	4	93	76	103	89	83	91	65	105	175
Non-Communist countries	724	166	180	162	137	225	305	391	500	1,260
Total imports (c.i.f.)	860	707	832	866	999	1,222	1,387	1,297	1,700	2,450
Communist countries	2	498	697	649	784	902	969	996	1,225	1,600
USSR	Negl.	294	461	428	582	669	731	778	950	1,175
Eastern Europe	2	104	145	98	119	139	143	126	150	225
Far East	Negl.	100	91	123	83	94	95	92	125	200
Non-Communist countries	858	209	135	217	215	320	418	301	475	850

1. Provisional.

Table 2

Cuba: Exports to Communist Countries

	Million US \$ (f.o.b.)									
	1958	1961	1963	1965	1967	1969	1971	1972	1973 ¹	1974 ¹
Total	18	460	365	529	568	446	555	446	880	1,485
USSR	14	304	164	323	366	233	304	244	565	935
Eastern										
Europe	Negl.	63	125	103	113	130	160	137	210	375
Albania	0	0	1	1	1	Negl.	2	1	2	1
Bulgaria	0	6	9	21	24	27	31	26	65	90
Czecho-										
slovakia	Negl.	22	38	46	41	43	44	42	45	70
East Germany	0	9	40	28	36	38	49	42	55	125
Hungary	Negl.	1	12	2	4	5	12	8	11	24
Poland	0	24	18	4	6	7	7	7	14	25
Romania	0	1	7	1	1	10	15	11	18	40
Far East	4	93	76	103	89	83	91	65	105	175
China	4	91	73	100	79	64	67	48	73	140
Mongolia	0	0	0	0	Negl.	Negl.	Negl.	1	Negl.	Negl.
North Korea	0	2	2	2	8	18	23	15	27	32
North										
Vietnam	0	0	1	1	2	1	1	1	5	3

1. Provisional.

Table 3

Cuba: Exports to Non-Communist Countries

	Million US \$ (f.o.b.)									
	1958	1961	1963	1965	1967	1969	1971	1972	1973 ¹	1974 ¹
Total	724	166	180	162	137	225	305	391	500	1,260
Belgium-Luxembourg	3	Negl.	2	1	2	3	3	4	4	4
Canada	16	4	14	5	5	7	11	12	17	76
Egypt	Negl.	12	15	7	6	6	4	4	1	5
France	8	1	2	10	15	14	6	8	12	11
Italy	Negl.	1	19	7	6	11	9	15	21	24
Japan	47	27	21	21	18	67	100	149	182	440
Morocco	12	10	27	15	11	13	15	5	10	25
Netherlands	16	6	11	4	4	22	6	10	18	15
Spain	18	8	23	34	33	41	36	44	55	175
United Kingdom	37	9	31	13	13	14	17	12	33	46
United States	498	29	0	0	0	0	0	0	0	0
West Germany	8	5	1	1	1	1	2	3	4	5
Other	61	54	14	44	23	26	96	125	143	434

1. Provisional.

Table 4

Cuba: Exports, by Major Commodity

	Million US \$ (f.o.b.)									
	1958	1961	1963	1965	1967	1969	1971	1972	1973 ¹	1974 ¹
Total	742	626	545	691	705	671	860	837	1,380	2,745
Sugar	587	540	473	591	599	503	657	616	1,110	2,470
Raw sugar	496	495	389	511	520	408	634	596	1,090	2,445
Refined sugar	61	37	70	68	65	80				
Molasses	30	8	14	12	14	15	23	20	20	25
Minerals	37	36	35	50	54	92	135	125	165	165
Nickel	28	29	32	40	44	86	135	124	164	164
Other	9	7	3	10	10	6	0	1	1	1
Tobacco	49	38	22	33	30	42	32	40	42	35
Raw	37	32	15	19	11	14	14	15	13	10
Manufc- tures	12	6	7	14	19	28	18	25	29	25
Foodstuffs	22	4	4	5	10	28	36	52	58	70
Of which:										
Fish and shell-										
fish	4	1	1	3	5	13	21	28	42	50
Fruit	2	1	1	1	1	2	3	5	12	15
Rum	1	1	Negl.	1	2	3	1	3	4	5
Other	47	8	11	12	12	6	0	4	5	5

1. Provisional.

Table 5

Cuba: Sugar Exports to Communist Countries

	Thousand Metric Tons, Raw Sugar									
	1958	1961	1963	1965	1967	1969	1971	1972	1973	1974 ¹
Total	249	4,791	2,067	3,525	3,866	2,808	3,278	2,294	3,012	3,270
USSR	188	3,303	973	2,110 ²	2,473	1,352	1,581	1,097	1,661	1,900
Eastern										
Europe	11	456	560	584	703	796	960	696	834	820
Albania	0	0	6	11	4	0	23	15	14	20
Bulgaria	0	57	56	158	195	205	211	154	213	200
Czecho-										
slovakia	0	25	150	245	215	224	190	151	163	170
East										
Germany	0	112	244	170	250	253	338	243	259	260
Hungary	11	0	0	0	17	17	59	38	52	45
Poland	0	262	104	0	22	28	30	22	55	50
Romania	0	0	0	0	0	69	109	73	78	75
Far East	50	1,032	534	831	690	660	737	501	517	550
China	50	1,032	501	744 ³	556	445	464	295	302	380
Mongolia	0	0	0	0	5	0	0	11	3	20
North Korea	0	0	20	21	83	155	197	119	136	75
North										
Vietnam	0	0	13	66	46	60	76	76	76	75

1. Provisional.

2. Excluding 346,000 tons shipped to the USSR on Chinese account in repayment of a 1961 loan.

3. Including 346,000 tons shipped to the USSR.

Table 6

Cuba: Sugar Exports to Non-Communist Countries

	Thousand Metric Tons, Raw Sugar									
	1958	1961	1963	1965	1967	1969	1971	1972	1973	1974 ¹
Total	5,383	1,623	1,454	1,790	1,817	1,991	2,233	1,846	1,785	2,100
Algeria	0	0	5	18	43	42	25	25	6	15
Canada	190	16	70	69	66	80	73	31	47	115
Egypt	0	75	78	125	114	69	43	21	5	N.A.
Finland	0	5	0	0	21	0	12	16	26	72
Iran	10	61	10	73	71	0	25	52	0	N.A.
Iraq	18	35	37	126	42	22	52	56	0	N.A.
Japan	556	423	161	415	542	1,018	912	909	985	1,200
Kenya	0	0	0	0	0	0	46	27	38	N.A.
Malaysia	0	0	0	0	119	105	141	88	29	60
Morocco	156	157	285	182	153	176	165	55	62	50
Singapore	0	0	0	0	0	37	38	0	14	N.A.
Spain	69	53	103	174	159	182	82	98	104	350
Sweden	34	1	15	42	22	10	47	65	56	50
Syria	38	75	21	62	64	87	116	101	107	N.A.
United Kingdom	487	79	174	113	70	43	51	29	122	60
United States	3,240	0	0	0	0	0	0	0	0	0
Yugoslavia	2	34	11	85	65	67	72	43	12	N.A.
Other	583	609	484	306	266	53	333	230	172	128

1. Provisional.

Table 7

Cuba: Imports from Communist Countries

	Million US \$ (c.i.f.)									
	1958	1961	1963	1965	1967	1969	1971	1972	1973 ¹	1974 ¹
Total	2	498	697	649	784	902	969	996	1,225	1,600
USSR	Negl.	294	461	428	582	669	731	778	950	1,175
Eastern Europe	2	104	145	98	119	139	143	126	150	225
Albania	0	1	1	1	1	1	1	1	1	1
Bulgaria	0	10	5	16	20	26	25	34	32	55
Czechoslovakia	2	29	55	36	36	28	31	33	41	62
East Germany	0	26	36	25	50	43	63	39	50	55
Hungary	Negl.	9	12	8	4	3	8	8	7	13
Poland	Negl.	21	29	8	7	4	2	2	11	14
Romania	Negl.	8	7	4	1	34	13	9	8	25
Far East	Negl.	100	91	123	83	94	95	92	125	200
China	Negl.	99	87	120	73	80	79	76	100	170
Mongolia	0	Negl.	Negl.	0	Negl.	Negl.	Negl.	Negl.	Negl.	Negl.
North Korea	0	1	3	3	10	14	15	15	23	28
North Vietnam	0	0	1	Negl.	Negl.	Negl.	1	1	2	2

1. Provisional.

Table 8

Cuba: Imports from Non-Communist Countries

	Million US \$ (c.i.f.)									
	1958	1961	1963	1965	1967	1969	1971	1972	1973 ¹	1974 ¹
Total	858	209	135	217	215	320	418	301	475	850
Belgium-Luxembourg	14	4	2	6	5	3	5	7	14	50
Canada	20	39	11	15	9	14	27	20	41	85
Egypt	Negl.	11	11	11	8	5	5	2	6	4
France	8	8	6	19	41	47	63	20	32	80
Italy	11	4	1	5	31	36	55	13	24	45
Japan	5	12	5	4	9	10	60	49	121	225
Mexico	6	6	2	3	6	Negl.	Negl.	14	8	13
Morocco	Negl.	2	14	5	5	9	4	2	2	7
Netherlands	8	12	8	6	14	6	16	7	12	35
Spain	14	6	14	47	29	48	33	17	42	60
United Kingdom	24	17	11	50	29	66	61	47	47	60
United States	581	26	Negl. ²	0	0	0	0	0	0	0
Venezuela	72	Negl.	0	0	0	0	0	0	0	Negl.
West Germany	33	18	12	5	12	30	17	25	36	105
Other	62	44	38	41	17	46	72	78	90	81

1. Provisional.

2. Excluding US ransom payment in kind valued at \$35 million.

Table 9

Cuba: Imports, by Major Commodity Category¹

	Million US \$ (c.f.)				
	1968	1969	1970	1971	1972
Total	1,103	1,222	1,311	1,387	1,297
Foodstuffs	211	216	242	286	294
Raw materials and intermediate goods	284	270	290	295	296
Fuel	93	106	114	127	163
Of which:					
Petroleum	91	103	110	123	157
Machinery and transportation equipment	292	373	368	390	245
Other (not specified)	223	257	297	289	299

1. A consistent series for 1958-72 is not available.

Table 10

Cuba: Imports of Selected Commodities

	Thousand Metric Tons ¹									
	1958	1961	1963	1965	1967	1969	1971	1972	1973 ²	1974 ³
Foodstuffs										
Rice (milled)	174	N.A.	190	282	157	186	280	256	250	275
Legumes	73	N.A.	64	62	76	83	83	90	90	100
Wheat flour	86	100 ⁴	248	231	285	290	346	308	336	312
Lard	82	N.A.	48	39	43	23	26	20	40	40
Canned milk	7	N.A.	17	22	19	17	19	19	20	13
Raw materials and intermediate goods										
Wheat	139	192 ⁵	278	265	300	343	401	476	420	397
Raw cotton	9	14 ⁵	8	23	17	20	19	19	19	22
Crude vegetable oil	6	N.A.	36	47	51	56	66	54	48	65
Woodpulp	30	N.A.	52	18	35	30	39	31	N.A.	N.A.
Rubber (natural, re-generated, synthetic)	6	N.A.	6	6	9	9	7	6	N.A.	N.A.
Sulfur	11	64 ⁵	46	68	105	124	179	123	144 ⁵	147 ⁵
Caustic soda	16	14 ⁵	23	23	29	36	33	19	24 ⁵	29 ⁵
Pig iron	0.3	45 ⁵	25	32	45	81	79	96	108	100
Tin plate	22	N.A.	30	23	43	44	40	39	31 ⁵	27 ⁵
Coke	41	10 ⁵	28	37	46	52	75	88	54	51
Fertilizer	181	N.A.	331	432	1,250	862	614	652	N.A.	N.A.
Cotton cloth ⁴	N.A.	N.A.	N.A.	81	50	63	57	53	50	45
Fuel										
Crude petroleum	3,300	2,980	3,709	3,483	3,713	4,156	4,757	4,749	5,250	5,500
Fuel oil	260	835	159	791	975	995	1,409	1,315	1,400	1,500
Gawline	125	90	199	120	60	10	86	13	N.A.	N.A.
Transportation equipment⁴										
Locomotives	35	N.A.	2	N.A.	N.A.	66	7	1	11 ⁵	5 ⁵
Automobiles	16,064	N.A.	1,457	N.A.	N.A.	747	2,037	1,085	1,574 ⁵	2,235 ⁵
Trucks	3,195	N.A.	3,354	2,928	2,942	1,712	5,274	3,264	2,832 ⁵	2,525 ⁵
Buses	76	N.A.	712	430	315	62	998	191	75 ⁵	72 ⁵
Tractors	2,408	N.A.	3,443	6,574	6,249	8,828	7,042	3,024	4,002 ⁵	3,686 ⁵

1. Unless otherwise indicated.
2. Provisional.
3. Imports from the USSR only.
4. Million square meters.
5. Units.

Table 11

Cuba: Economic Assistance from the USSR

	Million US \$							
	1961-67	1968	1969	1970	1971	1972	1973 ¹	1974 ¹
Balance of payments aid	1,393	432	494	231	509	631	418	273
Trade deficit with the USSR	1,180	382	436	162	427	514	385	240
Interest charges	59	28	34	45	57	69	0 ²	0 ²
Other invisibles	154	22	24	24	25	28	33	33
Cumulative aid	1,393	1,825	2,319	2,550	3,059	3,690	4,108	4,381 ³
Sugar subsidy payments ⁴	632	150	86	150	56	22	95	325
Total cumulative aid	2,025	2,607	3,187	3,568	4,133	4,742	5,255	5,203

1. Provisional

2. A Cuban-Soviet agreement of December 1972 exempted Cuban debt from further interest charges

3. Consisting of (a) an estimated \$2.9 billion in direct balance of payments assistance, (b) an estimated \$450 million in development aid, and (c) an estimated \$21 million grant in 1964 following Hurricane Flora. Since Cuba thus far has made no repayment, this sum represents Cuba's debt to the USSR. In 1972 the USSR agreed to postpone the beginning of repayments until 1986.

4. The annual value of sugar subsidy payments is estimated as the difference between the value of sugar exports to the USSR and the value of these exports computed at the average price for Cuban sugar sold on the world market. It is considered a grant by the USSR and is not subject to repayment.

Table 12

Cuba: Recent Extensions of Major Non-Communist Trade Credits

Donor Country	Value (Million US \$)	Date Authorized	Terms
Argentina	1,200	Aug 1973	Medium-term credits for a purchase of Argentine industrial and transportation equipment, to be repaid in 8 years from time of delivery
Spain	900	Dec 1974	Trade credits for the purchase of Spanish ships and whole plants
United Kingdom	580	May 1975	Medium-term credits at less than 7 1/2% per year for purchase of British capital goods
France	350	Jan 1975	Medium-term credits for the purchase of French machinery, whole plants, and transportation equipment, to be repaid in 10 years
Canada	155	Mar 1975	\$100 million credit to be repaid in 10 years at competitive interest rates, \$10 million development loan to be repaid over 30 years at 1% interest and \$3 million technical assistance grant in February 1975, \$24 million in December 1974 and \$18 million in April 1974 for purchases of oil tankers and rail equipment

Table 13

Cuba: Country Brief

Geography	
Area	44,200 square miles
Capital	Havana
Other major cities	Santiago de Cuba, Camaguey, Nuevitas, Santa Clara, Cienfuegos, Matanzas
Chief ports	Havana, Mariel, Cienfuegos, Santiago de Cuba, Matanzas, Cardenas
People	
Population	9.25 million (mid-1975)
Language	Spanish
Literacy	About 96%
Economy	
GNP growth rate	1961-73, 1.8%; 1968-73, negligible; 1974 provisional estimate, 4%+/-
Agriculture	Main crops - sugar, tobacco, rice, vegetables, citrus fruit
Major industries	Sugar milling, electric power, petroleum refining, nickel mining, food processing, cement
Exports	\$2.7 billion f.o.b. (1974 estimate), sugar, nickel, tobacco, shellfish
Imports	\$2.4 billion c.i.f. (1974 estimate), capital equipment, industrial raw materials, foodstuffs, petroleum
Major trade partners	Exports - USSR, Japan, Eastern Europe, People's Republic of China, Canada. Imports - USSR, Eastern Europe, Japan, People's Republic of China
Monetary conversion rate	1 peso equals \$1.21 US (nominal)

Table 14

Cuba: Trading Enterprises

Ministry of Foreign Trade

Minister: Marcelo Fernandez Font
 First Vice Minister: Ricardo Cabrisa Ruiz
 Vice Minister for Commercial Policies with:
 Capitalist Countries: Ricardo Cabrisa Ruiz
 Socialist Countries: Herminio Garcia Lazo
 The USSR: German Arnado-Blanco Fernandez

Enterprise	Director	Responsibilities
Import		
ALIMPORT	Ricardo Espino Martinez	Foodstuffs, livestock
AVIAIMPORT	Eduardo Martinez Valdez	Aircraft, navigation equipment
CONSTRUIMPORT	Olegario Cartelles	Construction equipment
CONSUMIMPORT	Jose Luis Mestre Roca	Consumer durables
CUBACONTROL	Eddy Ramos Lopez	Controls, supervises, and inspects exports and imports
CUBAHIDRAULICA	Antonio Riancho Martinez	Irrigation equipment
CUBAMETALES	Dionisio Arranz Tremols	All metals, wire, fuel
CUBAPESCA	Rolando Alvarez Alvarez	Fishing equipment
CUBATEX	Isaac Abascal Coalla	Textiles, cordage, leather
EDUCUBA	Benito Fernandez Gachassin-Lafitte	Educational equipment
FEUIMPORT	Potirio Mederos	Railway equipment
FERRIMPORT	Carmon Rodriguez Benitez	Hardware supplies
MAIRINTER	Justo Armento Pons	Raw materials and intermediate goods
MAJIMPORT	Jose de la Fuente Menendez	Machinery and equipment
MEDICUBA	Orlando Romero Merida	Medical equipment
QUIMIMPORT	Edgardo Machado Flores	Chemicals, fertilizer
TECNOIMPORT	Jose Enrique Quesada	Technology
TRACTOIMPORT	Guido Valiente Romero	Agricultural machinery
TRANSIMPORT	Antonio Vinagre Roca	Automotive and transportation equipment
U.S.I.E.	Roberto Rodriguez Llompart	Mining and drilling equipment
Export		
CUBAZUCAR	Emiliano Lezcano Viqueira	Sugar and sugarcane byproducts
CUBANIQUEL	Osmani Martinez Vasquez	Nickel ore
CUBAEXPORT	Tirso Luis Joanicot	Foodstuffs and miscellaneous products
CUBATABACO	Alberto Ramos Suco	Tobacco and tobacco products